

B.A.LL.B. III Semester
Contract-I (General Principles of Contract)
BL-3004

Acceptance: Definition and Essentials

According to Sec 2 (b) of Indian Contract Act, 1872 –

When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. A proposal when accepted becomes a promise.

For Ex. - Ramesh offer to buy Mohan's car for Rs. 2.5 Lakh and Mohan accept this offer. It has become a promise.

Acceptance is the second step towards formation of a contract.

Types of Acceptance

Express Acceptance - if the acceptance is written or oral.

Implied Acceptance – if the acceptance is shown by conduct.

Essentials of Acceptance -

Acceptance must be given by the person to whom the proposal is made.

Acceptance can be given only when the acceptor has the knowledge of the proposal.

Acceptance must be valid. A valid acceptance converts a proposal into promise.

Acceptance must be absolute and unconditional.

A conditional acceptance is nothing but a 'counter proposal'. A counter proposal brings to an end to the original offer.

Acceptance must be communicated.

Communication of acceptance of a general offer is not required.

Acceptance must be given within the time prescribed or within a reasonable time

Acceptance must be in the prescribed manner.

Acceptance must be given in some usual and reasonable manner.

Acceptance must show an intention that acceptor is willing to fulfill the terms of the offer.

Acceptance may be express or implied.

Acceptance cannot be presumed from silence.

Acceptance must be made before revocation of proposal.

Imp. Case Laws

- Hyde v/s Wrench (1840)
- Felthouse v/s Bindley (1863)
- Brogden v/s Metropolitan Railway Com (1877)
- Carlill v/s Carbolic Smoke Ball Com. (1893)
- Powell v/s Lee (1908)
- Lalman Shukla vs Gauri Dutt (1913)
- L'Estrange v Graucob (1934)
- Shankarlal Narayandas Mundade v/s New Moffusil Co. Ltd AIR 1946 PC
- Hindustan Corporation Insurance Society v/s Shyam Sundar (1952)
- Baroda Oil Cakes Trader v/s Purshottam Narayan Das Bagulia (1954)
- *John Hancock Mutual Life Insurance Co. v. Dietlin (1964)*
- *Bhagvan Das v/s Girdhari Lal & Co. AIR 1966 SC 543*
- Union of India v/s Uttam Singh Dugal & Co. (Pvt) Ltd (1972)
- Union of India v/s Rameshwar Lal Bhagchand (1973)
- *Ardente v/s Horan (1976)*
- *Ramki Dayawala & Sons Pvt Ltd v/s Invest Import (1981)*
- *U.P. Rajkiya Nirman Ltd. v/s Indore Pvt Ltd (1996)*

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